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August 16, 2004

Honorable Judge D. Hurley, U.S.D.J.
United States District Court
Long Island Federal Courthouse
843 federal Plaza
Central Islip, New York 11722-4449

Re: Novak v. Overture Services, et al. No. CV 02 5164

Your Honor:

In response to defendant Goggle's belated pre-motion request pursuant to Rule 12(c), almost two years since the commencement of this case, Plaintiff Robert Novak states that prior to any discovery this application is a waste of judicial resources and lacks merit for the following reasons.

To dismiss, taking all allegations in the pleadings as true it must appear to a certainty that the Plaintiff would not be entitled to relief under any set of facts that could be proved. Google complains that plaintiff has not sufficiently alleged that Google is "using" the trademark in a sense to brand or specific business relationship or its tortuous interference has used improper means. If that is underlying reason of Google's motion plaintiff should be given leave to amend its Complaint.

This is not an isolated *pro se* complaint. Google also faces a number of other "trademark and related claims" in France, Germany and America. Google lost a trademark infringement case in France filed by Viaticum and Luteciel and was fined $89,000, AXA, (the world's No. 3 insurer) v. Goggle and Louis Vuitton v. Google.

In the U.S., Geico v. Google & Overture CV-04-507 EDVA and American Blind & Wallpaper v. Google CV-04-642-SDNY among others.

Google has stated in its recent SEC filing S-1 Registration for its $2.7 Billion IPO, April 29, 2004, p. 10 " In order to provide users with more useful ads, we have recently revised our trademark policy in the U.S. and in Canada….no longer disable ads due to selection by our advertisers of trademarks as keyword triggers for the adds." Further, stated that it anticipates additional trademark infringement lawsuits.

As Google's attorney stated in this pre-motion letter clearly demonstrating their disregard of trademarks in p. 3 stated *"pursuit of its own economic ends"*.

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Google's income 95% of *$389 million for the first quarter of '04* is derived from the sales of "sponsored keywords" including keywords, which are registered trademarks.

The basis of Google's application is based on the premise that it is well aware or totally disregards any rights of any trademark holder in the world. Further their use is only in a 'non-trademark' way.

The problem with defendant's theory is that to date in France and the U.S. at least four Courts have reached different conclusions.

In SDNY *1-800 Contacts Inc. v. WhenU.com* 2003 U.S. Dist. LEXIS 22932 found that very similar infringement constituted a violation of the Lanham Act. The court identified two ways in which WhenU met the "use in commerce" requirements of the Lanham Act.

First, citing to the definition provided in 15 U.S.C. §1127 - that a mark is used in commerce "on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one State or in the United States and a foreign country and the person rendering the services is engaged in commerce in connection with the services" - the *1-800 Contacts* court noted that WhenU, the subject of the pop-up ads, had caused "advertisements to appear when users have specifically attempted to find or access [1-800 Contact's] website." Id. 15.

Second, the court determined that the inclusion of trademarks belonging to 1-800 Contacts in the Save Now directory "to advertise and publicize companies that are in direct competition with [1-800 Contacts]" amounted to use in commerce. Id.

Also, the leading case directly on point holds that the sale of trademarks by a search engine for use as "sponsored keywords" does constitute actionable "use" of those marks under the Lanham Act. The court expressly found that "defendants clearly used the marks in commerce," and that use under the Lanham act "sweeps as broadly as possible." *Playboy Enters Inc v. Netscape,* 354 F.3d 1020 (9th Cir. 2004).

Moreover, courts found the "use" of trademarks as website metatags to divert Internet traffic not as source identifier constitutes "use" of the marks sufficient to give rise to a claim of infringement under the Lanham Act. See, Brookfield Comm. Inc. v. West Coast Enter., 174 F.3d 1036, 1062 (9th Cir. 1999)

Therefore, Google's variant fails as matter of law.

Tortious Interference—Pets Warehouse's "business expectancy" is clear. Pets Warehouse maintains a website at www.pets-warehouse.com where it offers Pets and related supplies, and from which it derives, and will likely continue to derive, a substantial portion of its business. Pets Warehouse thus has an expectation that both current and new customers would enter into business relationships with Pets Warehouse via its website.

Defendants' knowledge of, and interference with, this business expectancy is just as clearly pled. Defendants have knowingly sold the Pets Warehouse® Marks as Keywords to these advertisers and knew, or should have known, of Pets Warehouse's reasonable expectation of future transactions with users of Defendants' search engines. Pets Warehouse existing or prospective customers searching for Pets Warehouse are diverted to these third party websites, where they may be induced into doing business with Pets Warehouse's competitors instead of with Pets Warehouse.

Section 230 of the CDA does not shield Defendant from Novak's interference claim because by its terms, the statute offers no immunity if the service provider functions as an information provider for the disputed statement. They are creating a "sponsored keyword" scheme that uses the Pets Warehouse® marks to trigger ads by competitors offering their own goods. Further, section 230 does not provide immunity for trademark or other intellectual property infringements of defendant.

Again, those variants fail.

Counts 10 and 12 are adequately pled and both counts repeat the allegations contained in their preceding paragraphs. The public interest is served by preventing confusion and deception. *Conopco, Inc v. Campbell Soup Co.*, 95 F.3d 187, 193 (2d Cir. 1996)

Count 13—The trademark dilution in violation of N.Y. Gen. Bus. Law should be §360-l, (formerly) not §368-d. Count 13 should be amended to indicate the correct provision of the General Business Law.

Google's final argument, being an "innocent infringer" fails, due to the allegations contained in the Complaint.

Conclusion—Robert Novak respectfully asks this Court to deny Google's request for a motion to dismiss on the pleadings for the above stated reasons, the issues involved are triable issues of fact or in the alternative grant leave for Plaintiff to amend his Complaint.

Respectfully submitted

Robert Novak

Affidavit of Service

I hereby certify that on August 16, 2004, I mailed a copy of a Plaintiffs Opposition to Google's request for a Motion To Dismiss, by U.S. Mail first class postage paid to:

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